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BOOK REVIEWS

The Tariff and the Trusts. By FRANKLIN PIERCE. New York: The Macmillan Co., 1907. Pp. xi+387.

Attacks upon graft, special privilege, and extortion are popular these days, and the book before us seems primarily intended to disclose such evils of this sort as the author believes are to be laid at the door of the protective tariff. Its object, he tells us, is to supply in simple form a clear statement of the flagrant wrongs of that [the Dingley] tariff. It is idle with such a tariff existing to attempt a discussion of the general question of free trade. Simplification is the keynote to every issue with a moral core, and the simple but comprehensive question which we shall discuss is the injustice of the Dingley Tariff. . . . I have therefore sought in this volume to present an array of concrete facts which condemn our tariff; and to present them so fairly and candidly that my readers, forgetting their party alliances, will remember only that they are citizens of this great democratic Republic, which will live as long only as it secures to its people equality of opportunity and protection from oppressive monopolies (pp. v, vii).

The book is frankly based on secondary sources, apparently not on very many, and is written for the general public, not for the student.

Starting out with an explanation of the conditions which confront industry in this country, the author attributes our superiority in manufacturing to the energy, enterprise, and inventive talent of our people, the extensive use of machinery, our rich natural resources, and low taxes. Yet, in spite of these advantages, "the United States Government has been picking out favorites and bestowing upon them special privileges through the tariff," resulting in such excesses as are pointed out in the cases of the duties on wool and woolens, iron and steel, tin plate, sugar and glass, which allow "powerful industries to extort from the people of a country billions of dollars in enhanced prices" (p. 44).

One chapter is devoted to the trusts, the most unsatisfactory one in the book, wherein the author declares: "Our protective tariff is the genesis of the trust. The trust comes out of it as naturally as fruit from blossom" (p. 51). It is elsewhere admitted that "there are other causes for the existence of combinations aside from protective tariffs" (p. 56), but they receive practically no

further notice. The author continues: "Hundreds of other trusts, not so vast as the steel trust, but just as oppressive in their extortions, have been formed to avail themselves of the tariff (p. 74); and he adds a list of trusts "fostered by the tariff," including the "Meat Trust," the Standard Oil Company, the International Harvester Company, and the Diamond Match Company. The trusts are burdened with the responsibility for the growing separation between the laborer and the employer, as well as for the growth of trade unions, while they will ultimately lead to state socialism. It is useless to criticize this in detail. Admittedly the abolition of the tariff would help to check the extortions of certain monopolies; nevertheless, the general impression of the trusts which one here obtains is hopelessly one-sided and superficial, showing the most inadequate study and a total failure to grasp the absolutely fundamental aspects of the problem.

In contrast with the preceding, the chapter entitled "Protective Tariffs and Public Virtue" is the best in the book, developing as it does, a phase of the tariff question which the general public so commonly overlooks. Here we are told that "these seekers after protective tariffs have been corrupting both themselves and our public men."

A more stupendous instrument for corrupting congressmen than the lodging of this power in them was never conceived by the perverse ingenuity of man (pp. 117, 118). Our country will never go down in the momentous sweep of battle; but it will as surely die from corruption as the moral law pervades the universe, if these conditions continue to exist (p. 127).

Other evils for which the tariff is held responsible are—control of newspapers by special interests and trusts, wasteful expenditures by the government, the destruction of patriotism, increasing centralization, and the undermining of free government. The picture is overdrawn, but it deserves most serious reflection.

Another chapter explains how the tariff and our "barbarous navigation laws" are responsible for the decline of American shipping. Still others are devoted to "Talks with Manufacturers, Laborers, and Farmers," wherein are pointed out the usually described disadvantages under which these classes suffer as a result of the protective tariff, while the author also seeks to disclose the fallaciousness of the blessings frequently supposed to be derived from it. After accounts of "Our Tariff History," "How England Got Free Trade," and "The Tariff in Germany," in each case mainly

summarizing a single book, we come to "The Remedy." This is found in the abolition of the protective tariff, and the consequent prevention of trust extortions; and is to be obtained through a rebirth of patriotism among the people, their organization outside of party lines for the discussion of these evils, and finally the submission of the question to a referendum vote.

It is to be regretted that the "fair and candid presentation of facts" which the author sought to attain is sadly marred by a use of statistics showing either gross carelessness or ignorance of economics, as well as by conclusions of the most illogical character, absolutely unwarranted by any evidence presented. Thus because Dun's figures for the per capita wholesale cost of living were \$73.455 on July 1, 1897, and \$106.794 on June 1, 1906, showing an increase of 47.4 per cent., our author immediately declares:

These are only a few simple figures, but it is sometimes interesting to have the painful testimony of our weekly bills confirmed by statistics, and no elaborate exhibit could carry a more convincing indictment of the oppression of monopoly (p. 18, and similarly p. 208).

Comment is superfluous. The argument that the tariff aids the laborer is presumably annihilated by adducing the fact that the percentage of increase of the men employed in factories and the amount of their wages and salaries did not increase as rapidly between 1890 and 1900 as during the previous decade, although the years 1890 to 1900 included the McKinley and Dingley tariffs, when the duties paid on dutiable articles averaged higher than under the Tariff Act of 1883 (p. 204, and similarly p. 195). Such reasoning, whether the final conclusion be right or wrong, reflects little credit on a member of the bar. Again, because he finds the statement that according to the Census of 1900 17½ per cent. of the cost of manufactured articles is the proportion which the laborer receives, while the average duty paid on dutiable imports averages about 50 per cent., we are told that

the American people pay the trusts in increased price more than the entire labor cost of the article for the purpose of taking care of the difference between the cost of your labor and that of your foreign competitor (p. 212).

It is interesting to note that the Census of 1900 (Vol. VII, p. ccxvi) says: "It is not possible to ascertain from the census statistics the so-called labor cost of production." For such use of statistics as the above there can be no warrant. Examples might be multiplied, but enough has been given to indicate the unreliability and biased character of the book's conclusions.

Thus, although the volume brings out many facts with which one could wish that the public might become acquainted, still it must be set down as simply another addition to the long list of partisan writings on this vexed question—a question the satisfactory and ultimate solution of which is to be obtained only through most cautious, thorough, and judicious study. Hence we conclude that even among the staunchest of free-traders a book of this character could be welcomed only by the most short-sighted.

CHESTER W. WRIGHT

CORNELL UNIVERSITY

John Sherman. By THEODORE E. BURTON. ["American Statesmen," Second Series.] Boston: Houghton, Mifflin & Co., 1906. 12mo, pp. 429. \$1.25 net.

The active political life of Mr. Sherman covered a period of forty-three years, extending from 1855 to 1898. During this well-nigh half-century he was a prominent figure in political affairs. The story of his life is intimately connected with the financial and political history of the United States during these years, with which history Mr. Burton shows himself to be familiar.

Mr. Sherman entered his political career about the time of the disintegration of the Whig party. During the six years of his service in the House, he became one of the most prominent leaders of the new Republican party, being chosen as its candidate for speaker. With his election to the Senate in 1861 he entered upon sixteen consecutive years of service in a new field. This period, and the four years following, as secretary of the treasury, formed the most conspicuous portion of his career, the one in which the major part of his constructive work in legislation and in administration was accomplished. The financial problems arising out of the war were extremely difficult, and in connection with these Mr. Sherman's chief services were performed. His greatest triumph, of course, was in effecting the resumption of specie payments in 1879 under his administration of the Treasury. Due emphasis is laid upon this by the author, and the financial skill displayed in funding the national debt is pointed out.

The author, although recognizing somewhat fully the evils of an irredeemable paper currency, argues that the position taken by Mr. Sherman in supporting the first issue of legal-tender notes was